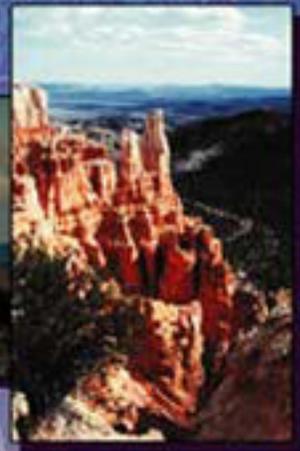
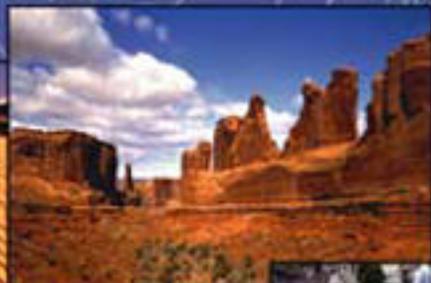
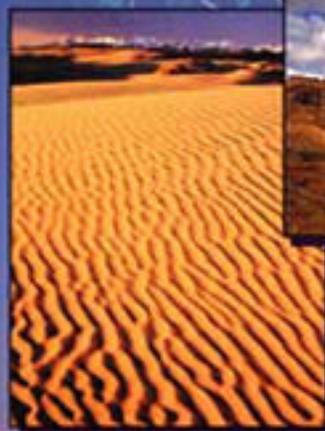
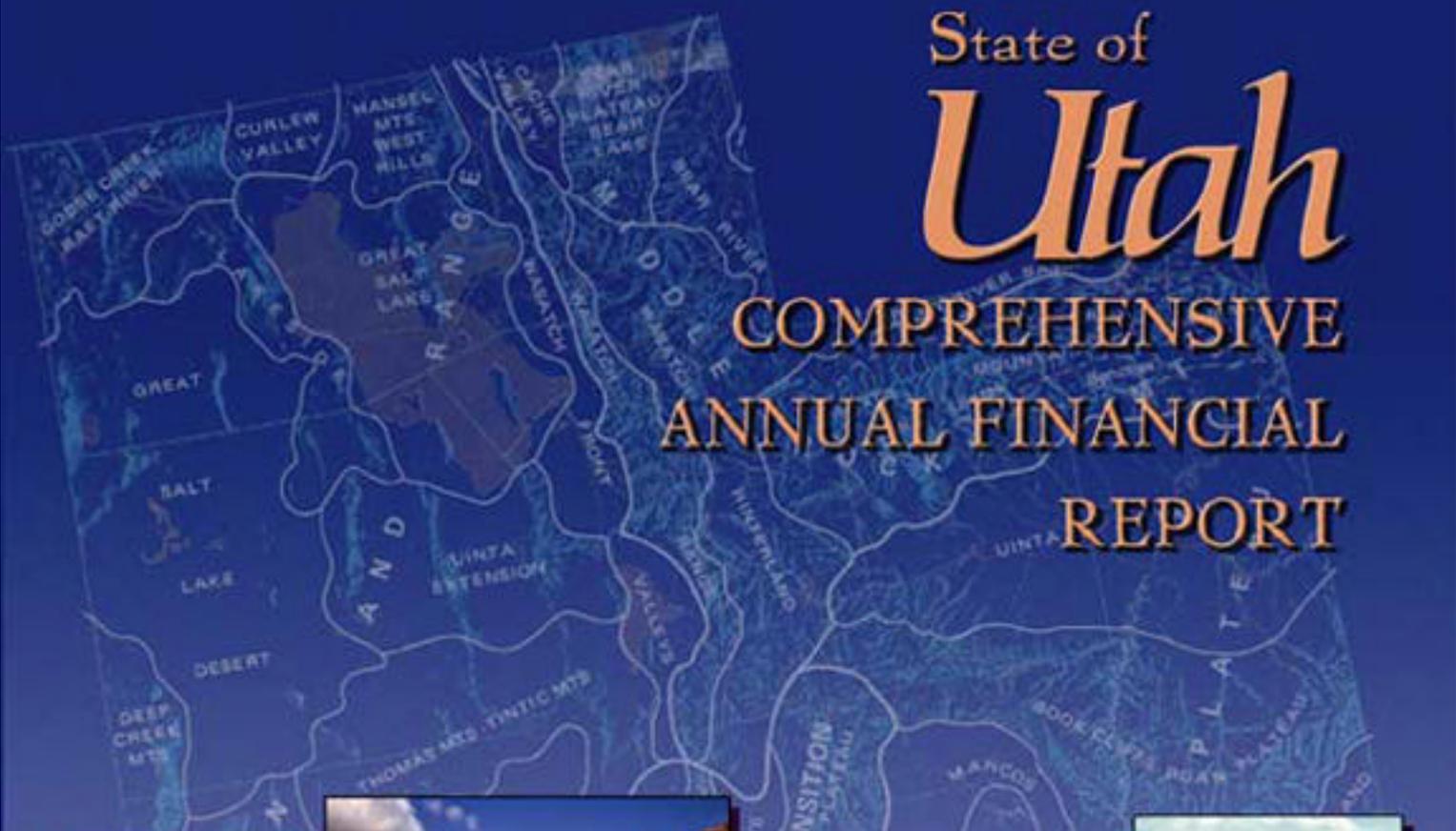


State of

Utah

COMPREHENSIVE ANNUAL FINANCIAL REPORT



For the Fiscal Year Ended June 30, 2003

State Of Utah
COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Fiscal Year Ended June 30, 2003

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Gayle F. McKeachnie Lt. Governor
Auston G. Johnson, CPA..... State Auditor
Edward T. Alter, CPA State Treasurer
Mark L. Shurtleff..... Attorney General
L. Alma "Al" Mansell..... President of the Senate
Martin R. Stephens Speaker of the House
Christine M. Durham..... Chief Justice, Supreme Court

OTHER STATE OFFICIALS

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ACKNOWLEDGMENTS

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Special appreciation is given to all of the budget and accounting officers throughout the State whose extra time and effort made this report possible.



State of Utah
COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2003

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BASIC FINANCIAL STATEMENTS

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State of Utah

Statement of Net Assets

June 30, 2003

(Expressed in Thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and Cash Equivalents	\$ 567,837	\$ 647,558	\$ 1,215,395	\$ 546,456
Investments	1,040,446	269,160	1,309,606	1,155,596
Taxes Receivable, net	524,670	552	525,222	—
Accounts and Interest Receivable, net	623,633	82,565	706,198	280,476
Amounts Due From:				
Component Units	18,922	—	18,922	—
Primary Government	—	—	—	4,812
Prepaid Items	1,516	2,214	3,730	11,489
Inventories	11,520	17,753	29,273	34,441
Internal Balances	14,163	(14,163)	—	—
Restricted Investments	—	61,182	61,182	421,014
Deferred Charges	4,320	15,966	20,286	47,114
Notes/Loans/Mortgages/Pledges Receivable, net	18,306	1,798,191	1,816,497	899,083
Other Assets	7,526	—	7,526	16,991
Capital Assets:				
Land and Related Non-depreciable Assets	671,807	14,337	686,144	102,695
Infrastructure	7,513,155	495	7,513,650	—
Construction in Progress	547,486	—	547,486	109,228
Buildings, Equipment, and Other Depreciable Assets	1,358,759	51,247	1,410,006	3,208,394
Less Accumulated Depreciation	(576,789)	(14,859)	(591,648)	(1,385,235)
Total Capital Assets	9,514,418	51,220	9,565,638	2,035,082
Total Assets	12,347,277	2,932,198	15,279,475	5,452,554
LIABILITIES				
Accounts Payable and Accrued Liabilities	549,458	25,156	574,614	211,020
Amounts Due to:				
Component Units	4,812	—	4,812	—
Primary Government	—	—	—	18,922
Securities Lending	—	—	—	17,523
Deferred Revenue	88,796	7,766	96,562	69,395
Deposits	166	64	230	83,385
Other Liabilities	—	5,668	5,668	2,660
Long-term Liabilities (Note 10)				
Due Within One Year	207,588	8,191	215,779	333,273
Due in More Than One Year	2,248,822	1,380,904	3,629,726	1,579,636
Total Liabilities	3,099,642	1,427,749	4,527,391	2,315,814
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	7,951,838	22,104	7,973,942	1,575,079
Restricted for:				
Transportation	214,385	—	214,385	—
Public Education – Expendable	271,700	—	271,700	—
Public Education – Nonexpendable	404,991	—	404,991	—
Higher Education – Expendable	—	—	—	446,465
Higher Education – Nonexpendable	—	—	—	312,187
Capital Projects	1,239	—	1,239	—
Debt Service	6,204	23,035	29,239	153,453
Unemployment Compensation and Insurance Programs ..	3,445	443,971	447,416	69,992
Loan Programs	2,478	347,141	349,619	—
Other Purposes – Expendable	69,194	—	69,194	7,358
Unrestricted	322,161	668,198	990,359	572,206
Total Net Assets	\$ 9,247,635	\$ 1,504,449	\$ 10,752,084	\$ 3,136,740

The Notes to the Financial Statements are an integral part of this statement.

State of Utah

Statement of Activities

For the Fiscal Year Ended June 30, 2003

(Expressed in Thousands)

Activities	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental:				
General Government	\$ 193,738	\$ 84,500	\$ 74,457	\$ —
Human Services and Youth Corrections	538,492	17,182	255,228	—
Corrections, Adult	184,805	6,235	769	—
Public Safety	127,861	28,471	38,267	—
Courts	106,045	29,221	474	—
Health and Environmental Quality	1,177,121	74,087	840,776	—
Higher Education	647,572	676	842	—
Employment and Family Services	352,082	5,397	305,917	—
Natural Resources	119,528	35,353	45,407	—
Community and Economic Development	90,794	4,807	34,742	—
Business, Labor, and Agriculture	66,965	50,318	7,362	—
Public Education	1,981,119	38,604	294,992	—
Transportation	555,840	97,759	134,944	123,883
Interest and Other Charges on Long-term Debt	73,835	—	—	—
Total Governmental Activities	<u>6,215,797</u>	<u>472,610</u>	<u>2,034,177</u>	<u>123,883</u>
Business-type:				
Student Assistance Programs	86,995	73,685	21,316	—
Unemployment Compensation	307,834	108,130	92,303	—
Water Loan Programs	7,074	8,975	14,460	—
Other Business-type Activities	123,706	162,348	2,156	—
Total Business-type Activities	<u>525,609</u>	<u>353,138</u>	<u>130,235</u>	<u>0</u>
Total Primary Government	<u>\$ 6,741,406</u>	<u>\$ 825,748</u>	<u>\$ 2,164,412</u>	<u>\$ 123,883</u>
Component Units:				
Utah Housing Corporation	\$ 78,968	\$ 85,556	\$ —	\$ —
Public Employees Health Program	342,815	346,869	7,017	—
University of Utah	1,657,328	1,172,702	317,377	28,052
Utah State University	392,875	103,059	171,848	12,130
Nonmajor Colleges and Universities	627,842	230,177	133,476	14,669
Nonmajor Component Units	22,818	12,991	56	—
Total Component Units	<u>\$ 3,122,646</u>	<u>\$ 1,951,354</u>	<u>\$ 629,774</u>	<u>\$ 54,851</u>
General Revenues:				
Taxes:				
Sales and Use Tax				
Individual Income Tax Imposed for Education				
Corporate Tax Imposed for Education				
Motor and Special Fuel Taxes Imposed for Transportation				
Other Taxes				
Total Taxes				
Unrestricted Investment Income				
State Funding for Colleges and Universities				
State Funding for Other Component Units				
Gain on Sale of Capital Assets				
Federal Appropriation—Jobs and Growth Relief				
Miscellaneous				
Permanent Endowments Contributions				
Special Item—Technology Finance Corporation Liquidation Transfers				
Transfers—Internal Activities				
Total General Revenues, Special Items, and Transfers				
Change in Net Assets				
Net Assets—Beginning				
Adjustments to Beginning Net Assets				
Net Assets—Beginning as Adjusted				
Net Assets—Ending				

The Notes to the Financial Statements are an integral part of this statement.

**Net (Expense) Revenue and
Changes in Net Assets**

Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (34,781)	\$ —	\$ (34,781)	\$ —
(266,082)	—	(266,082)	—
(177,801)	—	(177,801)	—
(61,123)	—	(61,123)	—
(76,350)	—	(76,350)	—
(262,258)	—	(262,258)	—
(646,054)	—	(646,054)	—
(40,768)	—	(40,768)	—
(38,768)	—	(38,768)	—
(51,245)	—	(51,245)	—
(9,285)	—	(9,285)	—
(1,647,523)	—	(1,647,523)	—
(199,254)	—	(199,254)	—
(73,835)	—	(73,835)	—
<u>(3,585,127)</u>	<u>0</u>	<u>(3,585,127)</u>	<u>0</u>
—	8,006	8,006	—
—	(107,401)	(107,401)	—
—	16,361	16,361	—
—	40,798	40,798	—
<u>0</u>	<u>(42,236)</u>	<u>(42,236)</u>	<u>0</u>
<u>(3,585,127)</u>	<u>(42,236)</u>	<u>(3,627,363)</u>	<u>0</u>
—	—	—	6,588
—	—	—	11,071
—	—	—	(139,197)
—	—	—	(105,838)
—	—	—	(249,520)
—	—	—	(9,771)
<u>0</u>	<u>0</u>	<u>0</u>	<u>(486,667)</u>
1,488,452	2,180	1,490,632	—
1,604,618	—	1,604,618	—
160,705	—	160,705	—
317,536	—	317,536	—
213,613	—	213,613	—
<u>3,784,924</u>	<u>2,180</u>	<u>3,787,104</u>	<u>0</u>
9,152	2,248	11,400	709
—	—	—	607,550
—	—	—	3,259
15,412	—	15,412	—
37,970	—	37,970	—
37,086	964	38,050	—
—	—	—	13,517
—	—	—	(2,685)
<u>24,237</u>	<u>(24,237)</u>	<u>—</u>	<u>—</u>
<u>3,908,781</u>	<u>(18,845)</u>	<u>3,889,936</u>	<u>622,350</u>
<u>323,654</u>	<u>(61,081)</u>	<u>262,573</u>	<u>135,683</u>
8,866,508	1,565,530	10,432,038	2,957,561
57,473	—	57,473	43,496
<u>8,923,981</u>	<u>1,565,530</u>	<u>10,489,511</u>	<u>3,001,057</u>
<u>\$ 9,247,635</u>	<u>\$ 1,504,449</u>	<u>\$ 10,752,084</u>	<u>\$ 3,136,740</u>

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Governmental Fund Financial Statements

General Fund

This fund is the principal operating fund of the State. It accounts for all the financial resources of the general government except those required to be accounted for in another fund.

Uniform School Fund

This fund is maintained to account for revenues and expenditures that mainly support public elementary and secondary schools and the State Office of Education.

Transportation Fund

This fund is maintained to account for revenues and expenditures associated with highway construction and maintenance. Principal funding is provided from dedicated highway user taxes and fees and federal funds.

Centennial Highway Fund

This fund was created by the Legislature to account for revenues and expenditures associated with specific highway projects. Funding is provided from federal funds, registration fees, sales and use taxes, appropriations, and contributions from local governments.

Trust Lands

This permanent fund accounts for land grants and the sale of lands received from the federal *Enabling Act*. The principal in the fund is perpetual, with the earnings used primarily to support public education.

Nonmajor Funds

Nonmajor governmental funds are presented by fund type beginning on page 112.

State of Utah

**Balance Sheet
Governmental Funds**

June 30, 2003

(Expressed in Thousands)

	Special Revenue			
	General	Uniform School	Transportation	Centennial Highway
ASSETS				
Cash and Cash Equivalents	\$ 97,833	\$ 65,822	\$ 129,739	\$ 109,427
Investments	64,095	—	78,444	205,378
Receivables:				
Accounts, net	444,425	41,607	58,452	24,997
Accrued Interest	49	—	—	—
Accrued Taxes, net	211,902	258,634	53,525	609
Notes/Mortgages, net	4,903	6,624	615	—
Due From Other Funds	22,571	2,897	21,839	42
Due From Component Units	645	—	—	—
Inventories	458	—	7,079	—
Interfund Loans Receivable	43,546	—	—	—
Other Assets	—	—	—	—
Total Assets	<u>\$ 890,427</u>	<u>\$ 375,584</u>	<u>\$ 349,693</u>	<u>\$ 340,453</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable and Accrued Liabilities	\$ 304,091	\$ 78,542	\$ 101,957	\$ 68
Due To Other Funds	13,997	2,002	3,432	17,607
Due To Component Units	—	—	—	—
Deferred Revenue	185,343	51,123	29,425	66
Interfund Loans Payable	—	—	—	2,478
Total Liabilities	<u>503,431</u>	<u>131,667</u>	<u>134,814</u>	<u>20,219</u>
Fund Balances:				
Reserved for:				
Nonlapsing Appropriations and Encumbrances	67,561	36,700	2,449	—
Specific Purposes by Statute	119,873	18,250	91,399	109,266
Interfund Loans Receivable	43,546	—	—	—
Capital Projects	—	—	—	—
Debt Service	—	—	—	—
Unreserved Designated	156,016	187,165	40,429	—
Unreserved Designated, reported in nonmajor:				
Capital Projects Funds	—	—	—	—
Debt Service Funds	—	—	—	—
Unreserved Undesignated	—	1,802	80,602	210,968
Unreserved Undesignated, reported in nonmajor:				
Special Revenue Funds	—	—	—	—
Total Fund Balances	<u>386,996</u>	<u>243,917</u>	<u>214,879</u>	<u>320,234</u>
Total Liabilities and Fund Balances	<u>\$ 890,427</u>	<u>\$ 375,584</u>	<u>\$ 349,693</u>	<u>\$ 340,453</u>

The Notes to the Financial Statements are an integral part of this statement.

<u>Permanent</u>		
<u>Trust</u>	<u>Nonmajor</u>	<u>Total</u>
<u>Lands</u>	<u>Governmental</u>	<u>Governmental</u>
<u>Funds</u>	<u>Funds</u>	<u>Funds</u>
\$ 92	\$ 102,910	\$ 505,823
392,235	300,294	1,040,446
14,164	29,135	612,780
1,031	62	1,142
—	—	524,670
6,009	155	18,306
3,796	4,183	55,328
—	18,277	18,922
—	—	7,537
—	—	43,546
7,526	—	7,526
<u>\$ 424,853</u>	<u>\$ 455,016</u>	<u>\$ 2,836,026</u>
\$ —	\$ 52,864	\$ 537,522
160	3,133	40,331
—	4,812	4,812
19,702	54,424	340,083
—	—	2,478
<u>19,862</u>	<u>115,233</u>	<u>925,226</u>
—	119,097	225,807
404,991	34,338	778,117
—	—	43,546
—	53,216	53,216
—	8,897	8,897
—	—	383,610
—	75,489	75,489
—	7,107	7,107
—	—	293,372
—	41,639	41,639
<u>404,991</u>	<u>339,783</u>	<u>1,910,800</u>
<u>\$ 424,853</u>	<u>\$ 455,016</u>	<u>\$ 2,836,026</u>

State of Utah

**Reconciliation of the Balance Sheet — Governmental Funds
To the Statement of Net Assets**

June 30, 2003

(Expressed in Thousands)

Total Fund Balances for Governmental Funds \$ 1,910,800

Total net assets reported for governmental activities in the Statement of Net Assets is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds: (See Note 8)

Land and Related Non-depreciable Assets	\$ 671,790	
Infrastructure, Non-depreciable	7,513,155	
Construction-In-Progress	545,954	
Buildings, Equipment, and Other Depreciable Assets	1,166,380	
Accumulated depreciation	<u>(466,379)</u>	9,430,900

Some of the State's earned revenues will be collected after yearend, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds. 252,446

Internal service funds are used by management to charge the costs of certain activities, such as insurance, information technology, and fleet operations to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets. 62,508

Bond issue costs are reported as current expenditures in the funds. However, issue costs are deferred and amortized over the life of the bonds and are included in the governmental activities in the Statement of Net Assets. 4,320

Long-term liabilities and related accrued interest are not due and payable in the current period and therefore are not reported in the funds: (See Note 10)

General Obligation and Revenue Bonds Payable	(1,954,207)	
Unamortized Premiums	(107,435)	
Amount Deferred on Refunding	14,038	
Accrued Interest Payable	(1,598)	
Postemployment Benefits	(216,442)	
Compensated Absences	(134,746)	
Capital Leases	(12,846)	
Arbitrage Liability	<u>(103)</u>	<u>(2,413,339)</u>

Total Net Assets of Governmental Activities \$ 9,247,635

The Notes to the Financial Statements are an integral part of this statement.

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State of Utah

**Statement Of Revenues, Expenditures, And Changes In Fund Balances
Governmental Funds**

For the Fiscal Year Ended June 30, 2003

(Expressed in Thousands)

	Special Revenue			
	General	Uniform School	Transportation	Centennial Highway
REVENUES				
Taxes:				
Sales and Use Tax	\$ 1,447,281	\$ —	\$ 29,701	\$ 4,841
Individual Income Tax	—	1,587,520	—	—
Corporate Tax	—	161,129	—	—
Motor and Special Fuels Tax	—	—	321,370	—
Other Taxes	187,397	15,799	7,796	—
Total Taxes	<u>1,634,678</u>	<u>1,764,448</u>	<u>358,867</u>	<u>4,841</u>
Other Revenues:				
Federal Contracts and Grants	1,524,832	287,709	191,105	42,753
Charges for Services/Royalties	182,090	1,682	20,783	—
Licenses, Permits, and Fees	17,745	4,310	60,755	18,719
Federal Mineral Lease	46,335	—	—	—
Federal Aeronautics	—	—	18,791	—
Intergovernmental	—	—	—	—
Investment Income	8,258	8,473	2,539	5,355
Miscellaneous and Other	124,422	6,923	19,452	—
Total Revenues	<u>3,538,360</u>	<u>2,073,545</u>	<u>672,292</u>	<u>71,668</u>
EXPENDITURES				
Current:				
General Government	151,281	—	—	—
Human Services and Youth Corrections	532,270	—	—	—
Corrections, Adult	176,624	—	—	—
Public Safety	122,830	—	—	—
Courts	97,348	—	—	—
Health and Environmental Quality	1,171,877	—	—	—
Higher Education – State Administration	34,891	—	—	—
Higher Education – Colleges and Universities	592,668	—	—	—
Employment and Family Services	362,931	—	—	—
Natural Resources	132,388	—	—	—
Community and Economic Development	88,731	—	—	—
Business, Labor, and Agriculture	55,583	—	—	—
Public Education	—	1,979,461	—	—
Transportation	—	—	552,262	203,877
Capital Outlay	—	—	—	—
Debt Service:				
Principal Retirement	—	—	—	—
Interest and Other Charges	—	—	—	—
Total Expenditures	<u>3,519,422</u>	<u>1,979,461</u>	<u>552,262</u>	<u>203,877</u>
Excess Revenues Over (Under) Expenditures	<u>18,938</u>	<u>94,084</u>	<u>120,030</u>	<u>(132,209)</u>
OTHER FINANCING SOURCES (USES)				
General Obligation Bonds Issued	—	—	45,400	95,285
Premium (Discount) on Bonds Issued	—	—	6,600	13,981
Refunding Bonds Issued	—	—	—	—
Payment of Current Bond Refunding	—	—	—	—
Payment to Refunded Bond Escrow Agent	—	—	—	—
Sale of Trust Lands	—	—	—	—
Transfers In	146,547	1,565	19,412	124,648
Transfers Out	(146,514)	(33,951)	(107,483)	(86,828)
Total Other Financing Sources (Uses)	<u>33</u>	<u>(32,386)</u>	<u>(36,071)</u>	<u>147,086</u>
Net Change in Fund Balances	18,971	61,698	83,959	14,877
Fund Balances – Beginning	368,025	182,219	130,920	305,357
Fund Balances – Ending	<u>\$ 386,996</u>	<u>\$ 243,917</u>	<u>\$ 214,879</u>	<u>\$ 320,234</u>

The Notes to the Financial Statements are an integral part of this statement.

<u>Permanent</u> <u>Trust</u> <u>Lands</u>	<u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
\$ —	\$ —	\$ 1,481,823
—	—	1,587,520
—	—	161,129
—	—	321,370
—	2,626	213,618
<u>0</u>	<u>2,626</u>	<u>3,765,460</u>
—	3,523	2,049,922
23,985	7,201	235,741
—	8,786	110,315
—	972	47,307
—	—	18,791
—	8,463	8,463
5,208	4,793	34,626
—	42,651	193,448
<u>29,193</u>	<u>79,015</u>	<u>6,464,073</u>
—	19,385	170,666
—	1,628	533,898
—	2,491	179,115
—	2,687	125,517
—	1,436	98,784
—	3,215	1,175,092
—	—	34,891
—	4,809	597,477
—	185	363,116
—	1,859	134,247
—	3,255	91,986
—	10,799	66,382
—	419	1,979,880
—	495	756,634
—	205,861	205,861
—	109,653	109,653
—	79,367	79,367
<u>0</u>	<u>447,544</u>	<u>6,702,566</u>
<u>29,193</u>	<u>(368,529)</u>	<u>(238,493)</u>
—	138,020	278,705
—	67,175	87,756
—	381,800	381,800
—	(150,000)	(150,000)
—	(279,369)	(279,369)
15,412	—	15,412
10	166,552	458,734
—	(57,057)	(431,833)
<u>15,422</u>	<u>267,121</u>	<u>361,205</u>
<u>44,615</u>	<u>(101,408)</u>	<u>122,712</u>
<u>360,376</u>	<u>441,191</u>	<u>1,788,088</u>
<u>\$ 404,991</u>	<u>\$ 339,783</u>	<u>\$ 1,910,800</u>

State of Utah

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances —
Governmental Funds To the Statement of Activities**

For the Fiscal Year Ended June 30, 2003

(Expressed in Thousands)

Net Change in Fund Balances – Total Governmental Funds \$ 122,712

The change in net assets reported for governmental activities in the Statement of Net Assets is different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. The primary government also constructs buildings for component units. When the buildings are completed they are “transferred” to component units and are reported as expenses in the Statement of Activities. This is the amount by which capital outlays \$451,981 exceeded depreciation \$(50,572) and buildings “transferred” to component units \$(15,207) in the current period. (See Note 8) 386,202

In the Statement of Activities, only the gain on the sale of assets is reported, whereas in the governmental funds, the proceeds from the sales increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the assets sold. (2,591)

Net effect of revenues reported on the accrual basis in the Statement of Activities that do not provide current financial resources and thus are not reported as revenues in the funds until available. 19,222

Internal service funds are used by management to charge the costs of certain activities, such as insurance, information technology, and fleet operations, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities. (4,537)

Bond proceeds and capital leases provide current financial resources to governmental funds by issuing debt which increases long-term liabilities in the Statement of Net Assets. Repayments of bond and capital lease principal are expenditures in the governmental funds, but reduce liabilities in the Statement of Net Assets: (See Note 10)

Bonds Issued	\$ (660,505)	
Premiums on Bonds Issued	(87,756)	
Payment to Refund Bonds	413,675	
Amount Deferred on Refunding	15,828	
Payment of Bond Principal	109,653	
Capital Lease Payments	2,180	(206,925)

Expenditures are recognized in the governmental funds when paid or due for: items not normally paid with available financial resources; interest on long-term debt unless certain conditions are met; and bond issue costs. However, the Statement of Activities is presented on the accrual basis and expenses and liabilities are reported when incurred, regardless of when financial resources are available or expenditures are paid or due. This adjustment combines the net changes of the following balances:

Postemployment Benefits Expenses	(445)	
Compensated Absences Expenses	2,081	
Arbitrage Interest Expense	(4)	
Accrued Interest on Bonds Payable	66	
Amortization of Bond Premiums	7,963	
Amortization of Amount Deferred on Refunding	(1,790)	
Deferred Bond Issue Costs	1,700	9,571

Change in Net Assets of Governmental Activities \$ 323,654

The Notes to the Financial Statements are an integral part of this statement.

Proprietary Fund Financial Statements

Student Assistance Programs

These programs are comprised of two programs administered by the State Board of Regents: the Utah Higher Education Assistance Authority Student Loan Guarantee Program and the Student Loan Purchase Program. The purpose of these programs is to guarantee the repayment of student loans made by participating lenders to eligible student borrowers and to make loans to, and purchase the loans of, qualified students attending eligible institutions of higher education. Funds are acquired from the sale of bonds, lines-of-credit, variable rate demand notes, and financing agreements with the Student Loan Marketing Association.

Unemployment Compensation Fund

This fund pays claims for unemployment to eligible recipients and is funded through employer contributions and reimbursements, and federal grants.

Water Loan Programs

These programs provide loans to local governments, water districts, and other entities for the purpose of upgrading water storage facilities and other related structures. Capital for this fund has been provided from the General Fund or from general obligation bonds that have been repaid from general tax revenues. Additional funds have been generated by issuing revolving fund recapitalization revenue bonds that are secured by notes receivable in the fund and will be repaid from the collection of these notes.

Nonmajor Funds

Nonmajor enterprise funds are presented beginning on page 136.

Governmental Activities—Internal Service Funds

These funds are maintained to account for the operation of state agencies that provide goods or services to other state agencies and other governmental units on a cost-reimbursement basis. These funds are presented in more detail beginning on page 146.

State of Utah

**Statement Of Net Assets
Proprietary Funds**

June 30, 2003

(Expressed in Thousands)

	Business-type Activities – Enterprise Funds			
	Student Assistance Programs	Unemployment Compensation Fund	Water Loan Programs	Nonmajor Enterprise Funds
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 84,973	\$ 415,508	\$ 74,164	\$ 72,913
Investments	267,640	—	—	183
Receivables:				
Accounts, net	8,189	37,697	226	8,452
Accrued Interest	17,356	—	4,036	2,428
Accrued Taxes, net	—	—	552	—
Notes/Loans/Mortgages, net	118,408	—	22,715	14,273
Due From Other Funds	—	—	159	2,454
Interfund Loans Receivable	—	—	—	20
Prepaid Items	2,154	—	—	60
Inventories	—	—	—	17,753
Total Current Assets	498,720	453,205	101,852	118,536
Noncurrent Assets:				
Restricted Investments	60,485	—	697	—
Investments	—	—	—	1,337
Notes/Loans/Mortgages Receivables, net	1,006,274	—	408,958	227,563
Accrued Interest Receivable	—	—	3,787	394
Deferred Charges	15,966	—	—	—
Interfund Loans Receivable	—	—	—	60
Capital Assets:				
Land	—	—	—	14,337
Buildings and Improvements	7,872	—	—	32,236
Machinery and Equipment	1,387	—	—	9,752
Construction in Progress	—	—	—	495
Less Accumulated Depreciation	(1,170)	—	—	(13,689)
Total Capital Assets	8,089	0	0	43,131
Total Noncurrent Assets	1,090,814	0	413,442	272,485
Total Assets	1,589,534	453,205	515,294	391,021
LIABILITIES				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	9,500	758	435	11,370
Deposits	—	64	—	—
Due To Other Funds	—	2,744	72	14,116
Interfund Loans Payable	—	—	—	—
Deferred Revenue	1,629	—	86	1,475
Policy Claims Liabilities	—	5,668	—	—
Revenue Bonds Payable	4,578	—	1,580	917
Total Current Liabilities	15,707	9,234	2,173	27,878
Noncurrent Liabilities:				
Accrued Liabilities	4,133	—	—	—
Deferred Revenue	4,576	—	—	—
Policy Claims Liabilities	—	—	—	—
Revenue Bonds Payable	1,306,441	—	1,060	21,635
Interfund Loans Payable	—	—	—	—
Arbitrage Liability	51,768	—	—	—
Total Noncurrent Liabilities	1,366,918	0	1,060	21,635
Total Liabilities	1,382,625	9,234	3,233	49,513
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	564	—	—	21,540
Restricted for:				
Unemployment Compensation and Insurance Programs	—	443,971	—	—
Loan Programs	126,931	—	189,413	30,797
Debt Service	—	—	23,035	—
Unrestricted (Deficit)	79,414	—	299,613	289,171
Total Net Assets	\$ 206,909	\$ 443,971	\$ 512,061	\$ 341,508

The Notes to the Financial Statements are an integral part of this statement.

<u>Total</u>	<u>Governmental Activities – Internal Service Funds</u>
\$ 647,558	\$ 62,014
267,823	—
54,564	2,730
23,820	—
552	—
155,396	—
2,613	11,809
20	—
2,214	1,516
17,753	3,983
<u>1,172,313</u>	<u>82,052</u>
61,182	—
1,337	—
1,642,795	—
4,181	—
15,966	—
60	2,478
14,337	17
40,108	8,287
11,139	184,092
495	1,532
(14,859)	(110,410)
<u>51,220</u>	<u>83,518</u>
<u>1,776,741</u>	<u>85,996</u>
<u>2,949,054</u>	<u>168,048</u>
22,063	9,876
64	166
16,932	6,044
—	20,764
3,190	1,159
5,668	10,860
7,075	40
<u>54,992</u>	<u>48,909</u>
4,133	—
4,576	—
—	32,799
1,329,136	970
—	22,862
51,768	—
<u>1,389,613</u>	<u>56,631</u>
<u>1,444,605</u>	<u>105,540</u>
22,104	82,508
443,971	3,445
347,141	2,478
23,035	—
668,198	(25,923)
<u>\$ 1,504,449</u>	<u>\$ 62,508</u>

State of Utah**Statement Of Revenues, Expenses, And Changes In Fund Net Assets
Proprietary Funds**

For the Fiscal Year Ended June 30, 2003

(Expressed in Thousands)

	Business-type Activities – Enterprise Funds			
	Student Assistance Programs	Unemployment Compensation Fund	Water Loan Programs	Nonmajor Enterprise Funds
OPERATING REVENUES				
Sales and Charges for Services/Premiums	\$ 22,578	\$ 108,130	\$ 163	\$ 153,910
Fees and Assessments	3,665	—	14	3,378
Interest on Notes/Mortgages	46,151	—	8,798	4,946
Federal Reinsurance and Allowances/Reimbursements	13,555	62,844	—	—
Miscellaneous	1,291	—	—	114
Total Operating Revenues	<u>87,240</u>	<u>170,974</u>	<u>8,975</u>	<u>162,348</u>
OPERATING EXPENSES				
Administration	3,856	—	—	23,689
Purchases, Materials, and Services for Resale	—	—	—	90,279
Grants	—	—	6,468	817
Rentals and Leases	—	—	—	1,562
Maintenance	—	—	—	1,934
Interest	39,574	—	—	—
Depreciation	500	—	—	1,695
Student Loan Servicing and Related Expenses	22,084	—	—	—
Payment to Lenders for Guaranteed Claims	13,903	—	—	—
Benefit Claims and Unemployment Compensation	—	307,834	—	—
Supplies and Other Miscellaneous	6,948	—	405	3,047
Total Operating Expenses	<u>86,865</u>	<u>307,834</u>	<u>6,873</u>	<u>123,023</u>
Operating Income (Loss)	<u>375</u>	<u>(136,860)</u>	<u>2,102</u>	<u>39,325</u>
NONOPERATING REVENUES (EXPENSES)				
Investment Income	7,761	29,459	1,697	1,520
Federal Grants	—	—	13,540	2,107
Gain (Loss) on Sale of Capital Assets	—	—	—	—
Tax Revenues	—	—	2,065	115
Interest Expense	—	—	(201)	(683)
Refunds Paid to Federal Government	—	—	—	—
Other Revenues (Expenses)	(130)	—	44	920
Total Nonoperating Revenues (Expenses)	<u>7,631</u>	<u>29,459</u>	<u>17,145</u>	<u>3,979</u>
Income (Loss) before Transfers	8,006	(107,401)	19,247	43,304
Transfers In	—	—	1,582	15,039
Transfers Out	—	(2,369)	(2,808)	(35,681)
Change in Net Assets	8,006	(109,770)	18,021	22,662
Net Assets – Beginning	198,903	553,741	494,040	318,846
Fund Reclassified to Component Units	—	—	—	—
Net Assets – Beginning as Adjusted	198,903	553,741	494,040	318,846
Net Assets – Ending	<u>\$ 206,909</u>	<u>\$ 443,971</u>	<u>\$ 512,061</u>	<u>\$ 341,508</u>

The Notes to the Financial Statements are an integral part of this statement.

<u>Total</u>	<u>Governmental Activities – Internal Service Funds</u>
\$ 284,781	\$ 163,097
7,057	—
59,895	—
76,399	—
1,405	113
<u>429,537</u>	<u>163,210</u>
27,545	34,324
90,279	56,751
7,285	1,246
1,562	4,723
1,934	15,728
39,574	—
2,195	22,199
22,084	—
13,903	—
307,834	5,674
10,400	23,736
<u>524,595</u>	<u>164,381</u>
<u>(95,058)</u>	<u>(1,171)</u>
40,437	1,469
15,647	1,080
—	(2,009)
2,180	—
(884)	(52)
—	(521)
834	(669)
<u>58,214</u>	<u>(702)</u>
(36,844)	(1,873)
16,621	640
<u>(40,858)</u>	<u>(3,304)</u>
(61,081)	(4,537)
1,565,530	127,325
—	(60,280)
<u>1,565,530</u>	<u>67,045</u>
<u>\$ 1,504,449</u>	<u>\$ 62,508</u>

State of Utah

**Statement Of Cash Flows
Proprietary Funds**

For the Fiscal Year Ended June 30, 2003

(Expressed in Thousands)

	Business-type Activities – Enterprise Funds			
	Student Assistance Programs	Unemployment Compensation Fund	Water Loan Programs	Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers/Loan Interest/Fees/Premiums ...	\$ 57,239	\$ 99,977	\$ 8,929	\$ 178,717
Receipts from Loan Maturities	264,804	—	28,805	15,411
Receipts Federal Reinsurance & Allowances/Reimburse ..	37,730	62,839	—	—
Receipts from State Customers	574	—	—	8,268
Student Loan Disbursements Received from Lenders	284,721	—	—	—
Student Loan Disbursements Sent to Schools/Lenders	(284,835)	—	—	—
Payments to Suppliers/Claims/Grants	(31,003)	(311,855)	(5,326)	(97,312)
Disbursements for Loans Receivable	(351,388)	—	(35,936)	(30,092)
Payments on Loan Guarantees	(22,075)	—	—	—
Payments for Employee Services and Benefits	(3,165)	—	—	(20,483)
Payments to State Suppliers	(755)	—	(998)	(1,005)
Payments of Sales, School Lunch, and Premium Taxes	—	—	—	(24,004)
Net Cash Provided (Used) by				
Operating Activities	<u>(48,153)</u>	<u>(149,039)</u>	<u>(4,526)</u>	<u>29,500</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Borrowings Under Interfund Loans	—	—	—	7,271
Repayments Under Interfund Loans	—	—	—	(8,945)
Receipts from Bonds, Notes, and Deposits	121,490	14	—	—
Payments of Bonds, Notes, Deposits, and Refunds	(36,110)	(6)	(1,495)	—
Interest Paid on Bonds, Notes, and Financing Costs	(28,323)	—	(91)	—
Federal Grants and Other Revenues	—	—	13,431	3,075
Restricted Sales Tax	—	—	4,046	115
Transfers In from Other Funds	—	—	1,582	14,191
Transfers Out to Other Funds	—	—	(2,808)	(34,358)
Net Cash Provided (Used) by				
Noncapital Financing Activities	<u>57,057</u>	<u>8</u>	<u>14,665</u>	<u>(18,651)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Borrowings Under Interfund Loans	—	—	—	—
Repayments Under Interfund Loans	—	—	—	—
Proceeds from Bond and Note Debt Issuance/Grants	—	—	—	9,484
Proceeds from Disposition of Capital Assets	129	—	—	—
Principal Paid on Debt and Contract Maturities	—	—	—	(539)
Acquisition and Construction of Capital Assets	(105)	—	—	(12,333)
Interest Paid on Bonds, Notes, and Capital Leases	—	—	—	(802)
Transfers In from Other Funds	—	—	—	742
Transfers Out to Other Funds	—	(2,369)	—	(1,323)
Net Cash Provided (Used) by				
Capital and Related Financing Activities	<u>24</u>	<u>(2,369)</u>	<u>0</u>	<u>(4,771)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from the Sale and Maturity of Investments	537,121	—	3,256	—
Receipts of Interest and Dividends from Investments	7,724	29,459	1,713	1,536
Payments to Purchase Investments	(545,582)	—	(3,139)	—
Net Cash Provided (Used) by				
Investing Activities	<u>(737)</u>	<u>29,459</u>	<u>1,830</u>	<u>1,536</u>
Net Cash Provided (Used) – All Activities	8,191	(121,941)	11,969	7,614
Cash and Cash Equivalents – Beginning	76,782	537,449	62,195	65,299
Cash and Cash Equivalents – Ending	<u>\$ 84,973</u>	<u>\$ 415,508</u>	<u>\$ 74,164</u>	<u>\$ 72,913</u>

The Notes to the Financial Statements are an integral part of this statement.

<u>Total</u>	<u>Governmental Activities – Internal Service Funds</u>
\$ 344,862	\$ 31,947
309,020	—
100,569	—
8,842	139,084
284,721	—
(284,835)	—
(445,496)	(80,329)
(417,416)	—
(22,075)	—
(23,648)	(34,750)
(2,758)	(33,894)
(24,004)	—
<u>(172,218)</u>	<u>22,058</u>
7,271	—
(8,945)	—
121,504	—
(37,611)	(521)
(28,414)	—
16,506	1,080
4,161	—
15,773	561
(37,166)	(3,304)
<u>53,079</u>	<u>(2,184)</u>
0	2,916
0	(4,008)
9,484	—
129	3,687
(539)	(40)
(12,438)	(22,004)
(802)	(52)
742	79
(3,692)	—
<u>(7,116)</u>	<u>(19,422)</u>
540,377	—
40,432	1,469
(548,721)	—
<u>32,088</u>	<u>1,469</u>
(94,167)	1,921
741,725	60,093
<u>\$ 647,558</u>	<u>\$ 62,014</u>

Continues

State of Utah

**Statement Of Cash Flows
Proprietary Funds**

Continued

For the Fiscal Year Ended June 30, 2003

(Expressed in Thousands)

	Business-type Activities – Enterprise Funds			
	Student Assistance Programs	Unemployment Compensation Fund	Water Loan Programs	Nonmajor Enterprise Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 375	\$ (136,860)	\$ 2,102	\$ 39,325
Adjustments to Reconcile Operating Income (Loss)				
Depreciation Expense	500	—	—	1,695
Interest Expense for Noncapital and Capital Financing	23,083	—	—	—
Miscellaneous Gains, Losses, and Other Items	3,966	—	—	1,097
Net Changes in Assets and Liabilities:				
Accounts Receivable/Due From Other Funds	2,789	(10,954)	178	(1,199)
Notes/Accrued Interest Receivables	(92,967)	—	(6,898)	(13,643)
Inventories	—	—	—	(748)
Prepaid Items	(199)	—	—	(17)
Accrued Liabilities/Due to Other Funds	13,301	796	92	3,292
Deferred Revenue/Deposits	999	—	—	(302)
Policy Claims Liabilities	—	(2,021)	—	—
Net Cash Provided (Used) by Operating Activities	<u>\$ (48,153)</u>	<u>\$ (149,039)</u>	<u>\$ (4,526)</u>	<u>\$ 29,500</u>
SCHEDULE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Increase (Decrease) in Fair Value of Investments	\$ 726	\$ —	\$ 99	\$ 70
Investments Returned to the Federal Government	<u>(14,046)</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total Noncash Investing, Capital, and Financing Activities	<u>\$ (13,320)</u>	<u>\$ 0</u>	<u>\$ 99</u>	<u>\$ 70</u>

The Notes to the Financial Statements are an integral part of this statement.

<u>Total</u>	<u>Governmental Activities – Internal Service Funds</u>
\$ (95,058)	\$ (1,171)
2,195	22,199
23,083	—
5,063	—
(9,186)	1,550
(113,508)	91
(748)	124
(216)	859
17,481	3,465
697	(1,904)
<u>(2,021)</u>	<u>(3,155)</u>
<u>\$ (172,218)</u>	<u>\$ 22,058</u>

\$ 895	\$ 80
<u>(14,046)</u>	<u>—</u>
<u>\$ (13,151)</u>	<u>\$ 80</u>

Fiduciary Fund Financial Statements

Pension Trust Funds

These funds are used to account for the activities of the Utah Retirement Systems.

Investment Trust Fund

This fund is used to account for the investments related to external participants in the Utah State Public Treasurer's Investment Fund.

Private Purpose Trusts

These funds are used to report resources of all other trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

Agency Funds

Agency funds account for assets held by the State as an agent for other governmental units, other organizations, or individuals.

Individual funds are presented by fund type beginning on page 156.

State of Utah**Statement Of Fiduciary Net Assets
Fiduciary Funds**

June 30, 2003

(Expressed in Thousands)

	Pension Trust Funds	Investment Trust Fund	Private Purpose Trust Funds	Agency Funds
ASSETS				
Cash and Cash Equivalents	\$ 749,303	\$ 2,251	\$ 27,961	\$ 84,206
Investments	13,858,730	3,929,294	511,634	12,274
Receivables:				
Accounts	21	—	5,112	26
Contributions	20,600	—	—	—
Investments	154,848	—	—	—
Accrued Interest	—	13,974	—	—
Accrued Assessments	—	—	8,563	—
Due From Other Funds	—	—	383	155
Land	1,779	—	247	—
Buildings and Improvements	10,715	—	4,493	—
Machinery and Equipment	2,974	—	198	—
Less Accumulated Depreciation	(10,341)	—	(978)	—
Total Assets	<u>14,788,629</u>	<u>3,945,519</u>	<u>557,613</u>	<u>\$ 96,661</u>
LIABILITIES				
Accounts Payable	307,068	—	657	—
Securities Lending Liability	1,418,572	—	—	—
Due To Other Funds	—	—	6,981	—
Due To Other Individuals or Groups	—	—	—	28,197
Due To Other Taxing Units	—	—	—	68,464
Deferred Revenue	—	—	337	—
Leave/Postemployment Benefits	1,594	—	—	—
Policy Claims Liabilities/Insurance Reserves	43,155	—	374,282	—
Mortgages Payable	73,460	—	—	—
Total Liabilities	<u>1,843,849</u>	<u>0</u>	<u>382,257</u>	<u>\$ 96,661</u>
NET ASSETS				
Held in trust for:				
Pension Benefits	11,460,455	—	—	
Deferred Compensation	1,484,325	—	—	
Pool Participants	—	3,945,519	—	
Individuals, Organizations, and Other Governments	—	—	175,356	
Total Net Assets	<u>\$ 12,944,780</u>	<u>\$ 3,945,519</u>	<u>\$ 175,356</u>	
Participant Account Balance Net Asset Valuation Factor		<u>1.001434</u>		

The Notes to the Financial Statements are an integral part of this statement.

State of Utah

**Statement Of Changes In Fiduciary Net Assets
Fiduciary Funds**

For the Fiscal Year Ended June 30, 2003

(Expressed in Thousands)

	Pension Trust Funds	Investment Trust Fund	Private Purpose Trust Funds
ADDITIONS			
Contributions:			
Member	\$ 202,102	\$ —	\$ 206,897
Employer	340,727	—	—
Court Fees and Fire Insurance Premiums	11,835	—	—
Total Contributions	<u>554,664</u>	<u>0</u>	<u>206,897</u>
Pool Participant Deposits	<u>—</u>	<u>5,688,743</u>	<u>—</u>
Investment Income:			
Net Increase (Decrease) in Fair Value of Investments	(1,471,447)	14,312	13,202
Interest, Dividends, and Other Investment Income	375,215	79,054	7,987
Less Investment Expenses	(25,424)	(100)	—
Net Investment Income	<u>(1,121,656)</u>	<u>93,266</u>	<u>21,189</u>
Transfers From Affiliated Systems	<u>15,420</u>	<u>—</u>	<u>—</u>
Other Additions:			
Escheats	—	—	10,355
Royalties and Rents	—	—	2,205
Fees, Assessments, and Revenues	—	—	66,715
Miscellaneous	—	—	6,009
Receipts from Primary Government	—	—	3,200
Total Other	<u>0</u>	<u>0</u>	<u>88,484</u>
Total Additions	<u>(551,572)</u>	<u>5,782,009</u>	<u>316,570</u>
DEDUCTIONS			
Pension Benefits	488,489	—	—
Refunds/Plan Distributions	97,414	—	—
Earnings Distribution	—	76,681	—
Pool Participant Withdrawals	—	5,006,457	—
Transfers To Affiliated Systems	15,420	—	—
Trust Operating Expenses	—	—	32,262
Distributions and Benefit Payments	—	—	42,416
Administrative and General Expenses	13,348	—	6,869
Total Deductions	<u>614,671</u>	<u>5,083,138</u>	<u>81,547</u>
Change in Net Assets Held in Trust for:			
Pension Benefits	(1,121,005)	—	—
Deferred Compensation	(45,238)	—	—
Pool Participants	—	698,871	—
Individuals, Organizations, and Other Governments	—	—	235,023
Net Assets – Beginning	<u>14,111,023</u>	<u>3,246,648</u>	<u>(59,667)</u>
Net Assets – Ending	<u>\$ 12,944,780</u>	<u>\$ 3,945,519</u>	<u>\$ 175,356</u>

The Notes to the Financial Statements are an integral part of this statement.

Component Unit Financial Statements

Utah Housing Corporation

The Corporation was created to provide an alternative source of funding for home mortgages, particularly for lower income families. It is funded entirely through the issuance of bonds, which are repaid from the interest and principal payments made on mortgages.

Public Employees Health Program

This Program provides employee medical and other insurance services predominantly for agencies of the State. It also provides claims processing and insurance services for local governments and other public entities within Utah.

University of Utah and Utah State University

These universities are funded through state appropriations, tuition, federal grants, and private donations and grants. In addition to instruction, these universities provide research and other services. The operations of the University of Utah also include its hospital and clinics.

Nonmajor Component Units

Nonmajor component units are presented beginning on page 168.

State of Utah**Combining Statement Of Net Assets
Component Units**

June 30, 2003

(Expressed in Thousands)

	Utah Housing Corporation	Public Employees Health Program	University of Utah	Utah State University
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 4,857	\$ 3,790	\$ 252,592	\$ 133,235
Investments	486,933	59,982	40,113	12,039
Receivables:				
Accounts, net	—	22,755	173,255	48,059
Notes/Loans/Mortgages/Pledges, net	13,547	—	10,267	12,064
Accrued Interest	7,517	1,060	2,330	—
Due From Primary Government	—	—	4,812	—
Prepaid Items	1,092	—	—	5,723
Inventories	—	—	23,440	3,025
Deferred Charges	—	—	12,338	—
Total Current Assets	<u>513,946</u>	<u>87,587</u>	<u>519,147</u>	<u>214,145</u>
Noncurrent Assets:				
Restricted Investments	70,370	—	230,252	34,510
Accounts Receivables, net	—	—	—	1,734
Investments	121,662	94,965	280,288	8,655
Notes/Loans/Mortgages/Pledges Receivables, net	805,407	—	27,840	8,049
Deferred Charges	14,805	—	19,633	—
Other Assets	—	—	—	—
Capital Assets (net of Accumulated Depreciation)	1,185	1,359	1,024,498	330,335
Total Noncurrent Assets	<u>1,013,429</u>	<u>96,324</u>	<u>1,582,511</u>	<u>383,283</u>
Total Assets	<u>1,527,375</u>	<u>183,911</u>	<u>2,101,658</u>	<u>597,428</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	42,653	7,929	101,499	33,229
Securities Lending Liability	—	17,523	—	—
Deposits	—	—	61,463	8,852
Due To Primary Government	—	645	13,765	249
Deferred Revenue	—	6,209	19,107	26,727
Policy Claims Liabilities	—	—	—	—
Current Portion of Long-term Liabilities (Note 10)	243,280	40,604	23,690	9,471
Total Current Liabilities	<u>285,933</u>	<u>72,910</u>	<u>219,524</u>	<u>78,528</u>
Noncurrent Liabilities:				
Accrued Liabilities	1,840	—	—	—
Deferred Revenue	—	—	—	572
Deposits	—	—	9,613	—
Long-term Liabilities (Note 10)	1,048,381	39,650	327,213	66,686
Total Noncurrent Liabilities	<u>1,050,221</u>	<u>39,650</u>	<u>336,826</u>	<u>67,258</u>
Total Liabilities	<u>1,336,154</u>	<u>112,560</u>	<u>556,350</u>	<u>145,786</u>
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	1,185	1,359	692,717	280,754
Restricted for:				
Nonexpendable:				
Higher Education	—	—	207,450	48,355
Expendable:				
Higher Education	—	—	272,044	70,624
Debt Service	153,453	—	—	—
Insurance Plans	—	69,992	—	—
Other	—	—	—	—
Unrestricted	36,583	—	373,097	51,909
Total Net Assets	<u>\$ 191,221</u>	<u>\$ 71,351</u>	<u>\$ 1,545,308</u>	<u>\$ 451,642</u>

The Notes to the Financial Statements are an integral part of this statement.

Nonmajor Component Units	Total
\$ 151,982	\$ 546,456
19,399	618,466
23,129	267,198
3,436	39,314
234	11,141
—	4,812
4,674	11,489
7,976	34,441
338	12,676
<u>211,168</u>	<u>1,545,993</u>
85,882	421,014
403	2,137
31,560	537,130
18,473	859,769
—	34,438
16,991	16,991
<u>677,705</u>	<u>2,035,082</u>
<u>831,014</u>	<u>3,906,561</u>
<u>1,042,182</u>	<u>5,452,554</u>
21,704	207,014
—	17,523
2,408	72,723
4,263	18,922
16,780	68,823
2,660	2,660
<u>16,228</u>	<u>333,273</u>
<u>64,043</u>	<u>720,938</u>
2,166	4,006
—	572
1,049	10,662
<u>97,706</u>	<u>1,579,636</u>
<u>100,921</u>	<u>1,594,876</u>
<u>164,964</u>	<u>2,315,814</u>
599,064	1,575,079
56,382	312,187
103,797	446,465
—	153,453
—	69,992
7,358	7,358
<u>110,617</u>	<u>572,206</u>
<u>\$ 877,218</u>	<u>\$ 3,136,740</u>

State of Utah

**Combining Statement Of Activities
Component Units**

For the Fiscal Year Ended June 30, 2003

(Expressed in Thousands)

	Utah Housing Corporation	Public Employees Health Program	University of Utah	Utah State University
Expenses	<u>\$ 78,968</u>	<u>\$ 342,815</u>	<u>\$ 1,657,328</u>	<u>\$ 392,875</u>
Program Revenues:				
Charges for Services:				
Tuition and Fees	—	—	117,109	71,037
Scholarship Allowances	—	—	(9,313)	(23,680)
Sales, Services, and Other Revenues (net of University of Utah patient services allowance of \$27,117)	85,556	346,869	1,064,906	55,702
Operating Grants and Contributions	—	7,017	317,377	171,848
Capital Grants and Contributions	—	—	28,052	12,130
Total Program Revenues	<u>85,556</u>	<u>353,886</u>	<u>1,518,131</u>	<u>287,037</u>
Net (Expenses) Revenues	<u>6,588</u>	<u>11,071</u>	<u>(139,197)</u>	<u>(105,838)</u>
General Revenues:				
State Appropriations	—	—	227,821	124,049
Unrestricted Investment Income	—	—	—	—
Permanent Endowments Contributions	—	—	7,174	985
Special Item: Technology Finance Corporation				
Liquidation Transfers	—	—	—	—
Total General Revenues and Special Item	<u>0</u>	<u>0</u>	<u>234,995</u>	<u>125,034</u>
Change in Net Assets	<u>6,588</u>	<u>11,071</u>	<u>95,798</u>	<u>19,196</u>
Net Assets – Beginning	184,633	—	1,466,294	432,446
Adjustments to Beginning Net Assets:				
Fund Reclassified from Internal Service Funds	—	60,280	—	—
Other Adjustments	—	—	(16,784)	—
Net Assets – Beginning as Adjusted	<u>184,633</u>	<u>60,280</u>	<u>1,449,510</u>	<u>432,446</u>
Net Assets – Ending	<u>\$ 191,221</u>	<u>\$ 71,351</u>	<u>\$ 1,545,308</u>	<u>\$ 451,642</u>

The Notes to the Financial Statements are an integral part of this statement.

Nonmajor Component Units	Total
<u>\$ 650,660</u>	<u>\$ 3,122,646</u>
188,163	376,309
(34,651)	(67,644)
89,656	1,642,689
133,532	629,774
14,669	54,851
<u>391,369</u>	<u>2,635,979</u>
<u>(259,291)</u>	<u>(486,667)</u>
258,939	610,809
709	709
5,358	13,517
<u>(2,685)</u>	<u>(2,685)</u>
<u>262,321</u>	<u>622,350</u>
<u>3,030</u>	<u>135,683</u>
874,188	2,957,561
—	60,280
—	(16,784)
<u>874,188</u>	<u>3,001,057</u>
<u>\$ 877,218</u>	<u>\$ 3,136,740</u>